

ITM Update 18 August 2025

Protecting Profits Summary

This week's blog, "ITM Profit Protection" focuses on **trading strategies and profit preservation**, particularly through the lens of technical analysis and psychological biases.

It highlights the crucial distinction between a "loss" and a "drawdown," emphasizing how **loss aversion** profoundly influences trading decisions.

The core of the guide compares different Simple Moving Average (SMA) strategies, revealing that the **10/200 SMA significantly outperforms the 5/50 SMA** in backtested results due to fewer trades, a higher win rate, and larger average gains, even though it is a less sensitive indicator.

ITM's philosophy centers on "trading the tide, not the waves," aiming to capture major market movements while avoiding excessive trading, and the guide discusses the challenges of replicating their specific strategic rules in other backtesting systems.



Trade the tide, not the waves